

Message Text

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AMEMBASSY WARSAW

C O N F I D E N T I A L 4271

E. O. 11652: GDS

TAGS: ECON PINT PINS UR

SUBJ: CRIME IN SOVIET INDUSTRY: DEPUTY MINISTER OF
INTERNAL AFFAIRS SPEAKS OUT

1. SUMMARY: FULL-PAGE ARTICLE BY DEPUTY INTERNAL AFFAIRS
(MVD) MINISTER B.A. VIKTOROV IN MARCH 26 EKONOMICHESKAYA
GAZETA DEVOTED TO MVD WAR ON CRIME IN SOVIET INDUSTRY.
ADVOCATING FIGHT AT MANAGEMENT/PLANNING LEVEL, ARTICLE POINTS
OUT THAT "SHORTCOMINGS OF ECONOMIC MECHANISM" HAVE ALLOWED
"DISHONEST PEOPLE" TO PURSUE THEIR CRIMINAL ACTIVITIES. AN
MVD HIGHER SCHOOL (VYSSHAYA SHKOLA) HAS BEEN ESTABLISHED IN
FOR'KIY TO TRAIN CADRES FOR THE BATTLE, BESIDES WHICH "LATEST
ACHIEVEMENTS OF SCIENCE AND TECHNOLOGY" HAVE BEEN PLACED AT
MVD DISPOSAL TO FERRET OUT THE WRONGDOERS. THIS DEFINITIVE
ARTICLE BY MVD DEPUTY MINISTER IS BY FAR STRONGEST STATEMENT
ON SUBJECT OF INDUSTRIAL THEFT EMBASSY HAS SEEN IN RECENT YEARS
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AND LEAVES LITTLE DOUBT THAT ECONOMIC CONSEQUENCES ARE QUITE

SERIOUS. ARTICLE NOTES, IN FACT, THAT SPECIALLY-CONVENED PLENUM OF GEORGIAN CENTRAL COMMITTEE LAST NOVEMBER WAS HELD EXCLUSIVELY TO DEAL WITH THIS PROBLEM, PRESUMABLY RAMPANT IN GEORGIAN ENTERPRISES. END SUMMARY

2. VIKTOROV FIRST DESCRIBES "CERTAIN CONDITIONS WHICH FACILITATE" THEFT OF STATE PROPERTY ON INDUSTRIAL ENTERPRISES AND ON CONSTRUCTION SITES. THESE INCLUDE:

--SETTING OF ARTIFICIALLY HIGH NORMS FOR NATURAL LOSSES AND EXPENDITURES OF RAW MATERIALS WITHIN PRODUCTION PROCESS;

--CARELESSNESS IN SETTING STATE STANDARDS AND TECHNICAL CATEGORIES OF PRODUCTION, PLUS MULTIPLICITY OF PRICES FOR SIMILAR CATEGORIES OF GOODS (E.G., HOSIERY ARTICLES, WHERE 1500 DIFFERENT PRICES EXIST);

--"ECONOMICALLY UNFOUNDED" PRICE DIFFERENCES IN STATE PROCUREMENT (OFTEN NEIGHBORING) REGIONS;

--PERSONNEL POLICIES AT ENTERPRISES (AND WITHIN THEIR PARENT MINISTRIES), WHICH ALLOW EMPLOYEES "WHO HAVE COMPROMISED THEMSELVES" TO OCCUPY POSITIONS OF TRUST;

--NON-UNIFORMITY OF RECEIPT, REQUISITION AND ORDER FORMS OF VARIOUS TYPES.

3. VIKTOROV NOTES THAT CONSEQUENCES OF THESE PHENOMENA INCLUDE: PIRATING AWAY OF GOODS WHOSE LOSS THEN CHALKED UP TO BREAKAGE; SELLING CONSUMER GOODS AT PRICES HIGHER THAN ESTABLISHED BY STATE PRICING COMMITTEE AND POCKETING DIFFERENCE; AND RE-SELLING AGRICULTURAL COMMODITIES IN NEIGHBORING DISTRICTS WHERE PER KILO PRICE MAY BE 20 TO 30 KOPEKS HIGHER. REGARDING PERSONNEL, VIKTOROV MENTIONS CASE OF FACTORY DIRECTOR IN ABAKAN WHO WAS INDICTED FIVE TIMES FOR VARIOUS CRIMES, WHICH, HOWEVER, "DID NOT HINDER HIS BEING CONFIRMED FOR A MANAGEMENT POSITION."

4. BESIDES INVOLVING SECURITY ORGANS IN INDUSTRIAL CRIME CONTROL, VIKTOROV SEEMS TO FEEL THAT COMMITTEE ON PEOPLE'S CONFIDENTIAL

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CONTROL APPARATUS OFFERS GOOD POSSIBILITY FOR ASSISTING IN SOLVING PROBLEM. ITS UNIQUENESS, AND HENCE EFFECTIVENESS, INDICATES VIKTOROV, LIES IN ITS INDEPENDENCE (VNEVEDOMSTVENNIY KHAARKTER) FROM THE ECONOMIC MINISTRIES. ON OTHER HAND, INTERNAL CONTROL MECHANISM, WHETHER WITHIN A MINISTRY AS WHOLE OR ONLY ONE FACTORY, APPEARS HOPELESS TO VIKTOROV. AT ONE FACTORY IN KIRGIZIYA LOCAL INSPECTORS DURING FOUR-YEAR PERIOD TURNED UP ONLY ONE IRREGULARITY--A SALARY OVERPAYMENT AMOUNTING

TO THREE RUBLES. ON VERY DAY THAT "CRIME" WAS UNEARTHED,
VIKTOROV NOTES MOCKINGLY, 12 THOUSAND RUBLES OF GOODS WERE
STOLEN BY GROUP OF FACTORY THIEVES.

5. MVD IS ADOPTING NEW APPROACH TO PROBLEM OF INDUSTRIAL
THEFT. COMPLEMENTING EXISTING STANDARD POLIC METHODS (WHICH,
INCIDENTALLY, ARE BEING BEEFED UP THROUGH INFUSIONS OF "NEW,
CONTEMPORARY TECHNICAL EQUIPMENT") WILL BE USE OF POLICEMEN-
ECONOMISTS/ENGINEERS/AGRONOMISTS, ETC. THESE WILL BE PERSONS
SPECIALLY TRAINED NOT ONLY IN LAW ENFORCEMENT TECHNIQUES,
BUT ALSO IN ECONOMIC AND AGRICULTURAL THEORY, THUS ALLOWING
THEM TO FIND WEAK SPOTS IN ECONOMIC MANAGEMENT WHICH UNTIL NOW
HAVE ALLOWED RAMPANT THEFT TO CONTINUE MORE OR LESS UNNOTICED.
FOR THIS PURPOSE NEW MVD HIGHER SCHOOL HAS BEEN ESTABLISHED
IN GOR'KIY.

6. RATHER IN PASSING, VIKTOROV STATES THAT "POSITIVE RESULTS"
IN DEALING WITH INDUSTRIAL CRIME OCCUR ONLY IN PLACES WHERE
"PARTY ORGANS ON THE SPOT CARRY OUT SYSTEMATIC EFFECTIVE
WORK" IN RAISING MORAL CONSCIOUSNESS AND RESPONSIBILITY OF
INDIVIDUAL WORKERS. HE ALSO NOTES THAT NOVEMBER 1974 PLENUM
OF GEORGIAN PARTY CENTRAL COMMITTEE WAS SPECIALLY CONVENED
TO DEAL SOLELY WITH THIS PROBLEM, WHICH IS APPARENTLY AT
EPIDEMIC LEVELS IN GEORGIAN SSR.

7. COMMENT: THIS IS MOST LENGTHY, HIGH-LEVEL, AND AUTHORITATIVE
ARTICLE EMBASSY HAS SEEN IN RECENT YEARS ON SUBJECT OF
INDUSTRIAL CRIME. STRIKING IS NEW, SOPHISTICATED APPROACH
UPON WHICH MVD IS EMBARKING, WHICH IS DESIGNED TO FIGURE OUT
THE FLAWS IN THE MANAGEMENT/PLANNING MECHANISM THAT MAKE THEFT
EASIER TO DISGUISE. ESTABLISHMENT OF NEW MVD UNIVERSITY TO
ACHIEVE THIS END IS FURTHER PROOF THAT MAGNITUDE OF INDUSTRIAL
THEFTS HAS REACHED SERIOUS LEVEL AND THAT SOVIET SECURITY
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ORGANS ARE NOW DETERMINED TO DEVOTE MASSIVE RESOURCES TO THIS
PROBLEM.
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